



# RETIREMENT FOCUS

*A Newsletter for the Employees, Retirees and their Beneficiaries of Montgomery County*

*June 2017 Vol. 1 No. 3*

It's time for spring cleaning, so get your retirement portfolio in order while eating ice cream, grilling hot dogs and enjoying the warm weather.

Look inside for helpful tools and tips to help spruce up your retirement account.

## Knowledge is Power

It's time to get your financial house in order. So, while sipping on a nice cold glass of lemonade take some time to plan the next chapter of your life. Read one of these books for tips on how to get ready for retirement or what to do once you are there!

*How to Retire Happy by Stan Hiden*

*How to Retire Happy, Wild and Free by Ernie Zelinski*

*Life After Life by Jill McCorkle*

*Life in Full: Maximizing your Longevity and Legacy by Richard and Linda Eyre*

Even if there are many years between you and retirement, you can take steps now to help you get on track with your retirement savings. Schedule an appointment with one of our Investment Counselors to check to see whether you're taking full advantage of all your retirement savings opportunities.



If you are a member of the Retirement Savings Plan (RSP) or the County Deferred Compensation Plan (DCP), you can schedule a 2-hour one-on-one session with a **National Planning Corporation (NPC)** representative who will assist you in building your financial retirement program by helping you define and monitor your financial goals.

RSP, DCP or Guaranteed Retirement Income Plan (GRIP) members can schedule a 1-hour one-on-one session with a **Fidelity** representative who will assist with retirement income projections and planning.



To schedule a meeting, visit our website at <http://montgomerycountymd.gov/mcerp> and click on **Investment Counseling** (left hand side of our website) or call (240) 777-8230 or email us at [retirement@montgomerycountymd.gov](mailto:retirement@montgomerycountymd.gov) **today!**

## Maryland Tax Withholding and Your ERS Pension

Retirees who have a combination of Social Security, retirement account income and public pension income may have a large tax bill, especially if they have income more than \$30,000 per year. If this pertains to you, you may want to consider adjusting your state withholdings.

To obtain a form, click on the link [http://www.montgomerycountymd.gov/mcerp/ers/forms\\_retired.html](http://www.montgomerycountymd.gov/mcerp/ers/forms_retired.html). You can also call MCERP at (240) 777-8230 and we will mail you a form.

\*\* Please use this calculator to see how much state taxes should be withheld from your pension.  
<https://interactive.marylandtaxes.com/business/calculators/WHCalc2017.asp>

**FORM MW 507P**  
Comptroller of Maryland  
Revenue Administration Division  
110 Carroll Street  
Annapolis, Maryland 21411-0001

**Maryland Income Tax Withholding  
for Annuity, Sick Pay and  
Retirement Distributions**

Type or print full name	Social Security number
Home address (number & street)	
City, state and zip code	
A. Contract claim or identification number	N/A
B. Enter the amount withheld from each annuity, sick pay or retirement distribution payment	\$
I request voluntary income tax withholding from any annuity, sick pay or retirement distribution payments as authorized by Section 10-907(b) of the Tax-General Article of the Annotated Code of Maryland.	
COM/RAD 044 11-49 (Signature)	(Date)

1. Complete your personal information.
2. Indicate a “whole” dollar amount that you would like to be withheld from your pension (*Ex. \$50.00*).
3. Don’t forget to sign and date the form.

*\*Note: Forms that are incomplete will have a delay in processing.*

## Have you planned for rising health care costs?

If you are like most Americans, health care is expected to be one of your largest expenses in retirement, after housing and transportation costs. Health care costs will likely consume a larger portion of your retirement budget—and you need to plan for that. Many people assume Medicare will cover everything, but it doesn’t.

For tips on planning for this expense, click on the link for more information.

<https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs>

If you want to know how much health care will cost in retirement, try this cost estimator:

<https://www.fidelity.com/mymoneylifestyle/healthcare/hc-ret.html>

## Federal Tax Withholdings and Your ERS Pension

Are you getting hit with a **BIG** federal tax bill? You may want to adjust your federal withholdings.

To obtain a form, click on the link [http://www.montgomerycountymd.gov/mcerp/ers/forms\\_retired.html](http://www.montgomerycountymd.gov/mcerp/ers/forms_retired.html). You can also call MCERP at (240) 777-8230 and we will mail you a form.

\*\* Please use this calculator to see how much federal taxes should be withheld from your pension.  
[https://apps.opm.gov/tax\\_calc/withhold\\_calc/index.cfm](https://apps.opm.gov/tax_calc/withhold_calc/index.cfm)

Separate here and give Form W-4P to the payer of your pension or annuity. Keep the top part for your records.

<b>Form W-4P</b>		<b>Withholding Certificate for Pension or Annuity Payments</b>		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		For Privacy Act and Paperwork Reduction Act Notice, see page 4.		<b>2017</b>
Your first name and middle initial		Last name		Your social security number
Home address (number and street or rural route)				Claim or identification number (if any) of your pension or annuity contract
City or town, state, and ZIP code				N/A

Complete the following applicable lines.

1 Check here if you **do not want any** federal income tax withheld from your pension or annuity. (Do not complete line 2 or 3.) ☐ **1**

2 Total number of allowances and marital status you are claiming for withholding from each periodic pension or annuity payment. (You also may designate an additional dollar amount on line 3.) . . . . .  **2b**

Marital status: ☐ Single ☐ Married ☐ Married, but withhold at higher Single rate. (Enter number of allowances.)

3 Additional amount, if any, you want withheld from each pension or annuity payment. (Note. For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2.) . . . . . \$  **3**

Your signature  **4** Date

Cat. No. 10225T Form W-4P (2017)

Return to: Montgomery County Employee Retirement Plans  
101 Monroe Street, 15th Floor  
Rockville, MD 20850  
Phone: 240-777-8230 Fax: 301-279-1424

Complete your personal information.

1. If you **do not** want federal taxes withheld, check the box at line #1 and then sign and date the form.  
*Do not complete #2 or #3.*
2. If you would like federal taxes withheld, complete #2 by checking your marital status (**2a**) and indicate the number of allowances (**2b**). If you would like a specific dollar amount withheld each month, please enter "99" at (**2b**) and then the dollar amount at #3.
3. If you want something additional withheld from your pension, indicate at line #3.
4. Don't forget to sign and date the form (**4**).

*\*Note: Forms that are incomplete will have a delay in processing.*

# Important Retirement Information at Your Fingertips

## Retirees

### *Let Us Know When ....*

**You need to change your address, email, phone number or direct deposit.** Forms can be found at our website at:

[http://montgomerycountymd.gov/mcerp/ers/forms\\_retired.html](http://montgomerycountymd.gov/mcerp/ers/forms_retired.html)

**You have a life change, such as death or divorce.** For a divorce contact us for a sample Qualified Domestic Relations Order (QDRO) and procedures.

### *Basics of Social Security*

Do you need assistance in understanding how Social Security works? Did you know that the date when you choose to retire and start collecting Social Security will have an impact on how much you will receive?

To find out more click on the link below:  
[www.montgomerycountymd.gov/mcerp/Resources/Files/Newsletter/basics-of-social-security.pdf](http://www.montgomerycountymd.gov/mcerp/Resources/Files/Newsletter/basics-of-social-security.pdf)

### *Return to Work for the County*

If you are retired from the ERS and return to work full-time within 25 months, your monthly pension will stop and you will begin participating in the ERS.

If you retired from the ERS and return to work full-time after 25 months, your monthly pension will stop and you will begin participating in the Retirement Savings Plan (RSP) or the Guaranteed Retirement Income Plan (GRIP) after completing the 6-month waiting period.

Refer to your Summary Plan Description for more information by clicking on the link below.  
[http://montgomerycountymd.gov/mcerp/ers/planbenefits\\_active.html](http://montgomerycountymd.gov/mcerp/ers/planbenefits_active.html)

## Employees

### *Want to increase your County Deferred Compensation contribution?*

Click on the link below to see how a 1% contribution increase can make a BIG difference and increase your contribution today.

<https://www.fidelity.com/mymoneybasics/power-of-small-amounts>

Login to your County Deferred Compensation account at Fidelity and increase your contribution amount by clicking on the link below, clicking on DCP, Contributions, and then input your desired amount and submit.

<https://nb.fidelity.com/public/nb/MCG/home>

### *Can You Afford to Retire?*

Will you have enough income to cover your living expenses in retirement? Do you have enough to cover your healthcare expenses?

For an interactive worksheet that will help you analyze your situation click on the link below.  
[www.montgomerycountymd.gov/mcerp/Resources/Files/Newsletter/worksheets.xlsx](http://www.montgomerycountymd.gov/mcerp/Resources/Files/Newsletter/worksheets.xlsx)

### *Let Us Help You Plan Your Retirement...*

ERS participants: Learn about the various payment options available by viewing the **Planning for Retirement** video at our website at: [www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement).

Retirement Savings Plan (RSP)/Deferred Compensation Plan (DCP)/Guaranteed Retirement Income Plan (GRIP): Distribution packets are available if you are terminating your service with the County. You can obtain the various distributions packets by visiting our website and clicking "forms" for your Plan at: [www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement).



## Quick Facts

### ERS Cost-of-Living-Adjustment (COLA)

The Cost-of-Living Adjustment (COLA) is an annual adjustment to your monthly retirement benefit which reflects the impact of inflation for the prior year. The amount of the adjustment is based on the change in the Consumer Price Index-All Urban Consumers, Washington-Baltimore, DC-VA-WVA (CPI-W) from May 2016 to May 2017 as defined in the County Code, Section 33-44(c)(3).

**July 1, 2017** eligible retirees, and others receiving annuity payments from the **ERS**, will receive a Cost-of-Living-Adjustment (COLA).

If you are a new retiree and retired on/or after August 1, 2016, you will receive your first COLA increase. Retirees who retired on/after July 1, 2017 will receive their first COLA July 1, 2018.

The COLA for 2017 is **.681%**. For retirees who retired July 1, 2016 through May 1, 2017, your increase will be prorated. Look for your COLA letter to arrive within the next week explaining the increase.

### MCERP Website

We are here to help you. Visit our website at [www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement) for seminar schedules, various forms, calculators, schedule an investment counseling session, login to your Fidelity account and much more.



## What Should I Do If I Can't Take Care of My Affairs?

A General Power of Attorney allows you to name a person as your agent to handle all matters on your behalf in the event you no longer can handle your own affairs.



If your spouse, child or other individual calls to request information related to your pension, we cannot share personal information unless there is a Power-of-Attorney (POA) on file. In the event of your death, we can only share a limited amount of information with a spouse or child, but if you are living we cannot share personal information without your authorization.

Consider naming a power of attorney while you can still take care of your own affairs, so if you should become incapacitated, we will have your notarized document on file and can work with your designated agent.

Contact an attorney to inquire about what you need to do to obtain power-of-attorney. Each state has a different procedure and will require different forms to be signed.

Should you revoke and/or change the POA, please notify us as soon as possible. A copy of the new POA should be sent to the Retirement office.

*Note: If you cannot obtain power-of-attorney, due to the person already being unable to handle their affairs and you were not already granted power-of-attorney, try to obtain legal guardianship. Please contact an attorney for further guidance.*

Submit a copy to:

### MCERP

101 Monroe Street, 15th Floor  
Rockville, MD 20850  
Fax: (301) 279-1424

Email: [retirement@montgomerycountymd.gov](mailto:retirement@montgomerycountymd.gov)

***RETIREMENT FOCUS*** is a quarterly newsletter published by Montgomery County Employee Retirement Plans and the Board of Investment Trustees for active members, retirees and beneficiaries of the Employees' Retirement System, Guaranteed Retirement Income Plan, Retirement Savings Plan and the County Deferred Compensation Plan.

*Please email or write to us with your comments on future topics at:*

**Montgomery County Employee Retirement Plans**

Executive Office Building  
101 Monroe Street, 15<sup>th</sup> Floor  
Rockville, MD 20850

**Website:** [www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement)

**Email:** [retirement@montgomerycountymd.gov](mailto:retirement@montgomerycountymd.gov)

**Phone:** (240) 777-8230 | **Fax:** (301) 279-1424

**National Planning Corp. representative:** (410) 557-7300

**Fidelity on-site representative:** (240) 777-8228